



**RFP Information Session – Nov. 15, 2012**



# HOUSING AND COMMUNITY DEVELOPMENT:

*Disaster Recovery Program; Hurricanes Ike and Dolly Round 2*

# GOAL OF THE PROGRAM

The Housing and Community Development Department (HCDD) continues to look to you, the community of developers, to address its expanded mission—not only to make Community Development an expanded focus of our housing activities, but to assist us in utilizing the 152 million dollars the City of Houston (City) anticipates receiving of funding under the Disaster Recovery Program; Hurricanes Ike and Dolly Round 2 (DRF) subject to execution of a Grant Agreement between the General Land Office of the State of Texas and The City of Houston. The vision is to utilize DRF and other City resources to seed the revitalization of several of the City's historically underserved neighborhoods. In the past, HCDD's Multifamily (MF) Group has distributed funds to nonprofit and for-profit entities to address the needs of the City of Houston (the City) for quality, safe, affordable housing for its low and moderate income residents. Through this RFP, the MF Group is looking to use its resources to revitalize neighborhoods affected by Hurricane Ike and to leverage these resources to improve the lives of the residents served. A key component of this approach is to extend the reach of fair housing choices within our communities.

# RFP TIMING

SUBMISSION OF PROPOSALS:

*NOVEMBER 16, 2012*

DEADLINE FOR SUBMISSION OF WRITTEN QUESTIONS:

*DECEMBER 14, 2012*

RESPONSE TO WRITTEN QUESTIONS:

*EVERY THREE DAYS*

PROPOSAL SUBMISSION DEADLINE:

*JANUARY 7, 2013*

ANNOUNCEMENT OF FUNDING AWARDS:

*ON OR BEFORE FEBRUARY 7, 2013*



## Funding Available:

- Multi-family – approximately \$50 million
  - Single-family rental – approximately \$6.3 million
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- *Gap Financing:* You specify amount of funds requested  
(*HCDD reserves the right to determine actual award*)

Total Development Cost

- All other sources of funds

Request to HCDD



## Safe, decent affordable housing

- CDBG Regulations state that 51% of the units produced must serve those that make less than 80% of Area Median Income (AMI)
- **We are seeking a greater variance of restricted units to serve a wider range of LMI economic groups to promote true mixed-income housing opportunities**



**WHAT**

**CAN YOU DO WITH**

**THESE FUNDS?**





- **Rehabilitation / Reconstruction or New Construction**

- 64 units or more

- **Transit-Oriented Development**

- Mixed-use

- Mixed-income

- Acquisition & Hard Costs





- **Property Condition Assessment – rehab must extend property life 20 years**
- **Accessibility – Section 504**
- **Environmental Review – 60 day process**
- **Development in the flood plain is not allowed for multi-family**
- **Restricted units may float (except units for persons with disabilities)**



LOCATION, LOCATION, LOCATION...

NEIGHBORHOODS AND NODES  
OF  
OPPORTUNITY



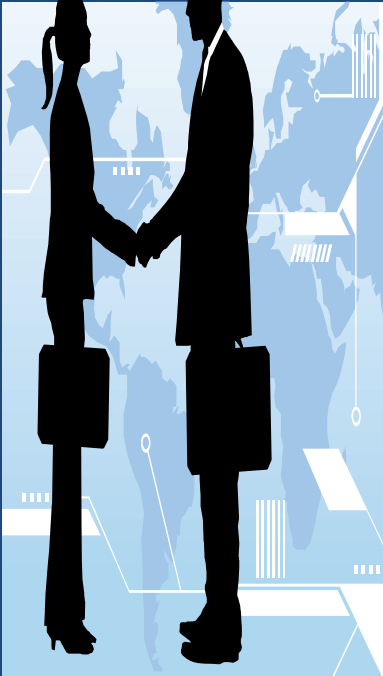
# COMMUNITY INPUT AND PLANNING





# WHO IS ELIGIBLE TO APPLY?






- **For Profit or Not For Profit Entities**
- **Experience in acquisition, construction, rehabilitation, management of low income housing**
- **Currently own the property, or have it under contract is preferred**
- **Good standing with HCDD, HUD & State of Texas**
- **Not on Debarment list**



# LOAN TERMS





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- 24 month maximum construction period
  - Loan term equal to Affordability Period
  - Performance Based and forgiveness contingent upon maintaining compliance throughout the Affordability Period
  - Personal guaranty of construction completion required



# LOAN AGREEMENT







- **Loan Agreement is fully negotiated & executed *before* City Council meeting**
- **Closing is held after all due diligence is complete, and concurrent with senior loan closing**



# AFFORDABILITY

## *Land Use Restriction Agreement*



- Superior to all other liens
- No less than 51% of the units will be restricted for those who make no more than 80% of AMI
- Restricts rents to a % of AMI
- Units can be floating or fixed
- Insured by title insurance policy
- HCDD **actively** monitors compliance



## Rent Restrictions based upon income:

- For households at **less than 60% of AMI:**

Rent = lesser of 30% of Adjusted Income, **Low HOME** rent, or Fair Market Rent

- For households at **60-80% of AMI:**

Rent = lesser of 30% of Adjusted Income, **High HOME** rent, or Fair Market Rent

*\*Rents are reduced by the utility allowance*



# DEVELOPMENT REQUIREMENTS





- **Property Condition Assessment – rehab must extend property life 20 years; 30 years for new construction**
- **Comply with City Building Codes & Minimum Property Standards (MPS)**
  - **Energy efficiency is critical**
- **Accessibility – Section 504 and Uniform Federal Accessibility Standard**



- **Detailed Plans, Specifications, Construction Budget**
- **Cost Reasonableness Report (if applicable)**
- **Construction Bonds**
- **Completion Guaranty**



**FREE LUNCH**

- **Must comply with Davis-Bacon Labor Standards, requiring payment of market wages**
- **City of Houston MBE / SBE – 14% of the work goes to Minority Businesses; 8% goes to Small Businesses**
- **HUD Section 3 – Employment and Contracting opportunities in accordance with City program**
- **Comply with Uniform Relocation Act**
  - **Include relocation costs in the project budget, not construction budget**





Applications will be accepted ONLY at the following address:

City of Houston

Housing and Community Development Department

Attn: Commercial Division

601 Sawyer, 4th Floor

Houston, TX 77007



**THANK YOU.**

**QUESTIONS?**